Montana Legislative Fiscal Division Revenue Source Profile

Updated through June 2014

Individual Income Tax

Revenue Description

The tax is levied against taxable income, which is defined as Montana personal income adjusted for exemptions and deductions. Once tax liability is determined, the amount of tax due is computed by subtracting allowable credits.

Statutory Reference

Tax Rate - 15-30-2103, MCA through 15-30-2105, MCA

Tax Distribution - 17-2-124(2), MCA

Date Due – 15th day of the fourth month of the filer's fiscal year (<u>15-30-2604, MCA</u>). Withholding taxes are due monthly, quarterly, or on an accelerated schedule depending on income (<u>15-30-2504, MCA</u>). Estimated taxes are due on the 15th day of the 4th, 6th, and 9th month and the month following the close of the tax year (<u>15-30-2512, MCA</u>).

Applicable Tax Rates

Tax rates vary from 1.0% to 6.9%, depending on the level of taxable income. Tax brackets, personal exemption amounts, and the standard deduction are adjusted for inflation each year. Due to the capital gains tax credit, the tax rate on capital gains income is less than the tax rate on ordinary income by 2%.

Collection Frequency: Quarterly, monthly, bi-weekly and weekly

Distribution: All proceeds are deposited into the general fund.

Revenue History

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	Fiscal <u>Year</u>	Total Collections \$ Millions	General Fund \$ Millions	General Fund % Change	Individual Income Tax \$1,200
A A A A A A	1991 1992 1993 1994 1995 1996 1997	\$282.960 321.538 356.987 345.643 371.903 383.092 406.276	\$258.216 293.564 326.188 315.677 339.939 350.161 371.275	N/A 13.7% 11.1% -3.2% 7.7% 3.0% 6.0%	\$1,000 - \$800 -
A A A	1998 1999 2000 2001	444.161 483.032 516.262 556.015	444.161 483.032 516.262 556.015	19.6% 8.8% 6.9% 7.7%	s \$600 -
A A A	2002 2003 2004 2005	517.568 535.831 605.582 707.343	517.568 535.831 605.348 706.235	-6.9% 3.5% 13.0% 16.7%	\$400 -
A A A	2006 2007 2008 2009	768.922 827.145 866.659 815.138	768.922 827.145 866.659 815.138	8.9% 7.6% 4.8% -5.9%	\$200 -
A A A A	2010 2011 2012 2013 2014	717.834 816.090 898.851 1,047.790 1,063.284	717.834 816.090 898.851 1,047.790 1,063.284	-11.9% 13.7% 10.1% 16.6% 1.5%	\$0

